

Wall Street firm drops its rare coin report

By Roger Boye

A Wall Street company has removed rare coins from its widely quoted investment report because the data "became the basis for some misrepresentations and confusion about coins in general."

The decision by Salomon Brothers Inc. garnered mixed reviews in the hobby press, with Coin World calling it a "short-sighted solution to a long-term problem." Numismatic News said the hobby could use a break from the Salomon index "and all the tangential elements it brought with it."

Since the 1970s, Salomon has followed price movements in several categories of tangible and financial assets ranging from Chinese ceramics to stocks and bonds. The 1990 report, published last June, suggested that rare coins had ranked as the best

investment of the past two decades, with a 17.3 percent compounded annual rate of return.

But the Salomon coin figures were based on the tracking of just 20 U.S. rarities in top condition categories. The Federal Trade Commission and others have accused some companies of using the Salomon numbers to suggest that all old coins had gone up by a similar amount.

In the 1991 report issued earlier this month, Salomon said its coin survey was never meant to be "representative of the entire universe of collectible coins" but rather the "coin-world equivalent of a mutual fund." Salomon reinstated rare stamps to replace coins.

The latest Salomon report, titled "Stocks Are Hot—Collectibles Are Not," indicates that oil was the best investment in the 12 months ended June 1, going up 20.7 percent in value. Stocks ranked third with an 11.8 percent

increase while the price of silver dropped 18.9 percent and rare stamp values went down 7.7 percent.

The Coin World Trends Index, based on about 16,500 prices, reported that the rare-coin market slipped 3.2 percent in value in the 12 months ended May 31.



A 1794 U.S. silver dollar in "mint state-65" condition sold for \$506,000 late last month, one of the highest coin-auction prices in U.S. history.

"We still had several bidders when the dollar hit \$400,000," said Ira Goldberg, an owner of Superior Galleries of Beverly Hills, Calif., which conducted the auction. Uncle Sam made just 1,758 silver dollars in 1794, the coin's first year of issue.

"There's been a lot of publicity about a weak coin market, but we didn't see it in this sale," Goldberg added.